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CHINESE RARE EARTHS EXPORT QUOTA REDUCED FOR 2009

The Foreign Trade Department of the Ministry of Commerce of the People's Republic of China, Industrial Product Export Division, has released 15,043 tonnes of approved Rare Earths export quota for the first half of 2009. This is a reduction of 34% compared to the first six months' quota for last year. Historically the second tranche is of similar or lower quantity compared to the initial tranche. Therefore the total 2009 quota is expected to be less than 30,000 tonnes as China continues to protect its mineral resource exports. This represents a 25% decrease in total quota tonnage compared to the annualised 2008 figure.

Export quotas on Rare Earths products were introduced by the Chinese government in 2003 to limit the export of China's strategic resource. The tonnage of quota has been decreasing each year. In 2006, the volume dropped to 48,000 tonnes, and in 2007 it declined to 43,574 tonnes. Half-way through last year, the Chinese government adjusted the release dates of export quota by two months to January and July every year. The initial 2008 tranche was 22,780 tonnes and the second was 11,376 tonnes, however this second tranche covered four months to the end of December. Therefore the total of 34,156 tonnes released in 2008 was for a 10-month period, which equated to an annual volume of 40,987 tonnes.

The consistent regulatory constraints of Rare Earths supply from China, which supplies 95% of Rare Earths to the world, has now led to a significant supply shortfall outside of China. Executive Chairman, Nicholas Curtis, believes that the reduction of the export quota will increase the opportunities for non-Chinese projects.

"The tightening supply regulations provide additional opportunity for Lynas to meet the supply deficit outside of China. Lynas owns the richest deposit of Rare Earths outside of China at Mount Weld in Western Australia and the company is progressing well with mine and plant construction to be in a position to commence supply by the end of 2009", Mr Curtis says.

About Lynas Corporation

Lynas owns the richest deposit of Rare Earths, also known as Lanthanides, in the world at Mount Weld, near Laverton in Western Australia. This deposit underpins Lynas' strategy to create a reliable, fully integrated source of Rare Earths supply from the mine through to customers in the global Rare Earths industry.

With the first mining campaign complete and all environmental approvals in place, Lynas has commenced construction of the Concentration Plant at Mount Weld, in Western Australia, as well as an Advanced Materials Plant to process the Mount Weld concentrate through to final Rare Earths carbonates and oxides in the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia. The construction of these plans is progressing well and first production is scheduled in the fourth quarter of 2009. The company plans to become the benchmark for security of supply and a world leader in quality and environmental responsibility to an international customer base.

'Rare Earths' is the term given to fifteen metallic elements known as the lanthanide series, plus yttrium. They play a key role in green environmental products, from energy efficient compact fluorescent light bulbs (CFLs) to hybrid cars, automotive catalytic converters and wind turbine generators. They are also essential in the development and manufacturing of many modern technological products, from hard disc drives to flat panel displays, iPods and magnetic resonance imaging (MRI) scans.

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